

## Ocean Energy Management, Interior

## § 550.125

(a) You must write to the Regional Supervisor asking for permission to determine producibility.

(b) You must provide or make available to the Regional Supervisor, as requested, the following log, core, analyses, and test criteria that BOEM will consider collectively:

(1) A log showing sufficient porosity in the producible section.

(2) Sidewall cores and core analyses that show that the section is capable of producing oil or gas.

(3) Wireline formation test and/or mud-logging analyses that show that the section is capable of producing oil or gas.

(4) A resistivity or induction electric log of the well showing a minimum of 15 feet (true vertical thickness except for horizontal wells) of producible sand in one section.

(c) No section that you count as producible under paragraph (b)(4) of this section may include any interval that appears to be water saturated.

(d) Each section you count as producible under paragraph (b)(4) of this section must exhibit:

(1) A minimum true resistivity ratio of the producible section to the nearest clean or water-bearing sand of at least 5:1; and

(2) One of the following:

(i) Electrical spontaneous potential exceeding 20-negative millivolts beyond the shale baseline; or

(ii) Gamma ray log deflection of at least 70 percent of the maximum gamma ray deflection in the nearest clean water-bearing sand—if mud conditions prevent a 20-negative millivolt reading beyond the shale baseline.

### § 550.117 How does a determination of well producibility affect royalty status?

A determination of well producibility invokes minimum royalty status on the lease as provided in 30 CFR 1202.53.

### § 550.118 [Reserved]

### § 550.119 Will BOEM approve subsurface gas storage?

The Regional Supervisor may authorize subsurface storage of gas on the OCS, on and off-lease, for later commercial benefit. The Regional Supervisor may authorize subsurface storage of gas on the OCS, off-lease, for later commercial benefit. To receive approval you must:

(a) Show that the subsurface storage of gas will not result in undue interference with operations under existing leases; and

(b) Sign a storage agreement that includes the required payment of a storage fee or rental.

### §§ 550.120–550.121 [Reserved]

### § 550.122 What effect does subsurface storage have on the lease term?

If you use a lease area for subsurface storage of gas, it does not affect the continuance or expiration of the lease.

### § 550.123 Will BOEM allow gas storage on unleased lands?

You may not store gas on unleased lands unless the Regional Supervisor approves a right-of-use and easement for that purpose, under §§ 550.160 through 550.166 of this subpart.

### FEES

### § 550.125 Service fees.

(a) The table in this paragraph (a) shows the fees that you must pay to BOEM for the services listed. The fees will be adjusted periodically according to the Implicit Price Deflator for Gross Domestic Product by publication of a document in the FEDERAL REGISTER. If a significant adjustment is needed to arrive at the new actual cost for any reason other than inflation, then a proposed rule containing the new fees will be published in the FEDERAL REGISTER for comment.

Service—processing of the following:	Fee amount	30 CFR citation
(1) Change in Designation of Operator .....	\$164 .....	§ 550.143(d).
(2) Right-of-Use and Easement for State lessee .....	\$2,569 .....	§ 550.165.
(3) [Reserved].		
(4) Exploration Plan (EP) .....	\$3,442 for each surface location; no fee for revisions.	§ 550.211(d).

**§ 550.126**

**30 CFR Ch. V (7–1–12 Edition)**

Service—processing of the following:	Fee amount	30 CFR citation
(5) Development and Production Plan (DPP) or Development Operations Coordination Document (DOCD).	\$3,971 for each well proposed; no fee for revisions	§ 550.241(e).
(6) [Reserved].		
(7) Conservation Information Document .....	\$25,629 .....	§ 550.296(a).

(b) Payment of the fees listed in paragraph (a) of this section must accompany the submission of the document for approval or be sent to an office identified by the Regional Director. Once a fee is paid, it is nonrefundable, even if an application or other request is withdrawn. If your application is returned to you as incomplete, you are not required to submit a new fee when you submit the amended application.

(c) Verbal approvals are occasionally given in special circumstances. Any action that will be considered a verbal permit approval requires either a paper permit application to follow the verbal approval or an electronic application submittal within 72 hours. Payment must be made with the completed paper or electronic application.

**§ 550.126 Electronic payment instructions.**

You must file all payments electronically through *Pay.gov*. This includes, but is not limited to, all OCS applications or filing fee payments. The *Pay.gov* Web site may be accessed through a link on the BOEM Offshore Web site at: <http://www.boem.gov/offshore/> homepage or directly through *Pay.gov* at: <https://www.pay.gov/paygov/>.

(a) [Reserved]

(b) You must use credit card or automated clearing house (ACH) payments through the *Pay.gov* Web site, and you must include a copy of the *Pay.gov* confirmation receipt page with your application.

**INSPECTION OF OPERATIONS**

**§ 550.130 [Reserved]**

**DISQUALIFICATION**

**§ 550.135 What will BOEM do if my operating performance is unacceptable?**

If your operating performance is unacceptable, BOEM may disapprove or revoke your designation as operator on a single facility or multiple facilities. We will give you adequate notice and opportunity for a review by BOEM officials before imposing a disqualification.

**§ 550.136 How will BOEM determine if my performance is unacceptable?**

In determining if your operating performance is unacceptable, BOEM will consider, individually or collectively:

(a)–(b) [Reserved]

(c) Incidents of noncompliance;

(d) Civil penalties;

(e) Failure to adhere to OCS lease obligations; or

(f) Any other relevant factors.

**SPECIAL TYPES OF APPROVALS**

**§ 550.140 When will I receive an oral approval?**

When you apply for BOEM approval of any activity, we normally give you a written decision. The following table shows circumstances under which we may give an oral approval.

When you . . .	We may . . .	And . . .
(a) Request approval orally,	Give you an oral approval,	You must then confirm the oral request by sending us a written request within 72 hours.
(b) Request approval in writing,	Give you an oral approval if quick action is needed,	We will send you a written approval afterward. It will include any conditions that we place on the oral approval.